

Magistrate Judge Monica J. Benton

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04-MJ-00627-CMP

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

FINN W. CONTINI,
ROBERT A. HOWDESHELL,
ALYSON M. CLARK, and
CHRISTINE J. HENDRICKSON

Defendants.

MAGISTRATE'S

DOCKET NO. 04-627 M

COMPLAINT for VIOLATION
Title 18, United States Code,
Section 371; Title 18, United States
Code, Sections 1341 and 1346; and
Title 18, United States Code, Section
1957(a).

BEFORE, Monica J. Benton, United States Magistrate Judge, Seattle, Washington.

The undersigned complainant, Special Agent Sonya Johnson, being duly sworn states:

COUNT 1

(Conspiracy)

1. From a date uncertain, but no later than in or about September 1999, and continuing until in or about January 2003, within the Western District of Washington and elsewhere, the defendants FINN W. CONTINI, ROBERT A. HOWDESHELL, ALYSON M. CLARK, and CHRISTINE J. HENDRICKSON, together with other persons known and unknown, did unlawfully, willfully and knowingly combine, conspire, confederate and

1 agree among themselves and with each other to commit certain offenses against the United
2 States, as follows:

3 **A. Introduction**

4 At all times relevant to this Complaint:

5 2. Microsoft Corporation (Microsoft), located in Redmond, Washington, was
6 engaged in manufacturing computer software.

7 3. ClientLogic, located in Buffalo, New York, provided warehousing services
8 to Microsoft, in which Microsoft stored software after manufacturing and prior to sale.

9 4. Microsoft Internal Product Ordering Service ("IPO"), also known as MS
10 Market, is an on-line ordering feature that allows Microsoft employees to order Microsoft
11 software for business purposes at no cost to themselves. Microsoft employees who wish
12 to order such software submit an order electronically, via the Internet, specifying the
13 desired type and number of Microsoft software products. This order is received by
14 ClientLogic.

15 5. Upon receiving orders for computer software through the IPO program,
16 ClientLogic uses various commercial interstate carriers, including Airborne Express and
17 United Parcel Service, to deliver the software from its warehouse located in Grove City,
18 Ohio, to the address identified on the orders.

19 6. Microsoft guidelines specifically advised Microsoft employees that use of MS
20 Market is restricted for Microsoft "business purposes." The MS Market and Internal
21 Product Ordering (IPO) Program Guidelines specifically state, in relevant part:

22 What is not available through the IPO Program? The
23 IPO Program has set criteria, which Products must meet
24 in order to be offered internally. Products offered
through the IPO Program are for *business-use only*.

25 Microsoft's "General Company Guidelines" also state in relevant part:

26 Any violation of the following guidelines or other misconduct
27 may result in disciplinary action, up to and including immediate

1 termination of employment.

2 * * *

3 Abuse of any Microsoft privilege, such as...internal orders...This
4 includes any activity, legal or illegal, using your Microsoft
5 position or Microsoft property, equipment or services for
6 personal use or gain.

7 Removal or use of company property (except for company
8 business), or property of other persons, without written
9 permission.

10 7. Although Microsoft software products offered through MS Market's IPO
11 program are available at no cost to the employee, the products have high retail value in the
12 secondary market. The retail value of the software is based on the "estimated retail price"
13 set by Microsoft, which owns the intellectual property and distribution rights to the software.
14 The retail prices for the software are published on Microsoft's various web sites and other
15 publications.

16 8. When submitting an order through MS Market's IPO program, the employee
17 must notify his or her supervisor or manager of the order via the program. Prior to March
18 13, 2002, individuals with access to MS Market could manipulate the program to prevent an
19 email alert to the employee's supervisor or manager regarding the employee's ordering
20 activities.

21 9. From on or about September 20, 1999, until his resignation on or about
22 February 4, 2002, FINN W. CONTINI was employed by Microsoft as a Group Assistant.
23 During his employment with Microsoft, CONTINI had access to MS Market and the IPO
24 program.

25 10. From on or about May 15, 2000, until his resignation on or about October 5,
26 2001, ROBERT A. HOWDESHELL was employed by Microsoft as a Project Coordinator.
27 During his employment with Microsoft, HOWDESHELL had access to MS Market and the
28 IPO program.

11. From on or about June 29, 1992, until her termination on or about October 7,

1 2004, ALYSON M. CLARK was employed by Microsoft as a Group Assistant. During her
2 employment with Microsoft, CLARK had access to MS Market and the IPO Program.

3 12. From on or about March 13, 2000, until her termination on or about June 12,
4 2002, CHRISTINE J. HENDRICKSON was employed by Microsoft as a Group Assistant.
5 During her employment with Microsoft, HENDRICKSON had access to MS Market and
6 the IPO program.

7 **B. Object of the Conspiracy**

8 13. The object of the conspiracy was to devise a scheme and artifice to defraud
9 and for obtaining money and property by means of false and fraudulent pretenses,
10 representations and promises; and for the purpose of executing such scheme or artifice and
11 for attempting to do so, knowingly and willfully sent and delivered and caused to be sent
12 and delivered by private and commercial interstate carrier according to the directions
13 thereon, Microsoft software products, all in violation of Title 18, United States Code,
14 Sections 1341 and 1346.

15 **C. Manner and Means of the Conspiracy and Scheme to Defraud.**

16 14. It was part of the scheme and artifice to defraud that defendants FINN W.
17 CONTINI, ROBERT A. HOWDESHELL, ALYSON M. CLARK, and CHRISTINE J.
18 HENDRICKSON used MS Market and the IPO Program to electronically transmit in
19 interstate commerce, via the Internet, orders for Microsoft software products to ClientLogic
20 located in Buffalo, New York.

21 15. It was further part of the scheme and artifice to defraud that CONTINI,
22 HOWDESHELL, CLARK, and HENDRICKSON, in ordering Microsoft software, did not
23 intend to apply it to any Microsoft "business-use;" rather, they intended to sell it to others
24 for personal profit.

25 16. It was further part of the scheme and artifice to defraud that although
26 CONTINI, HOWDESHELL, CLARK, and HENDRICKSON knew that Microsoft

employees were prohibited from using MS Market to order computer software for personal use, they did not reveal to Microsoft that they, in fact, were ordering Microsoft software for personal use, that is, to sell it for personal profit.

17. It was further part of the scheme and artifice to defraud that CONTINI, HOWDESHELL, and HENDRICKSON, manipulated the MS Market ordering system in order that their respective supervisors or managers were not notified of their numerous orders for Microsoft software. Instead, CONTINI, HOWDESHELL and HENDRICKSON would substitute each other's email addresses for those of their supervisors or managers in order to conceal from their supervisors or managers their orders.

18. It was further part of the scheme and artifice to defraud that when CONTINI was no longer employed by Microsoft, CLARK and HENDRICKSON continued to use MS Market and the IPO Program to place orders for Microsoft software products on CONTINI's behalf in return for a percentage of the sale proceeds received by CONTINI from the resale of the software products in the secondary market.

19. It was further part of the scheme and artifice to defraud that CONTINI, HOWDESHELL, CLARK, and HENDRICKSON used MS Market to fraudulently order from Client Logic the following amounts of Microsoft software products:

Ordered By	Number of Software Products Ordered	Estimated Retail Value
CONTINI	5,400	\$17 million
HOWDESHELL	985	\$4 million
CLARK	618	\$1.7 million
HENDRICKSON	1726	\$9.7 million
Total	8729	\$32.4 million

D. Overt Acts

20. In furtherance of the conspiracy and to promote the objects thereof,

defendants CONTINI, HOWDESHELL, CLARK, and HENDRICKSON, and other persons known and unknown, committed and caused, among others, the overt acts described in Counts 2 through 5 of this Complaint:

All in violation of Title 18, United States Code, Section 371.

COUNTS 2 - 5

(Mail Fraud)

21. Sections A (Introduction), C (Manner and Means of Conspiracy and Scheme to Defraud) and D (Overt Acts) of Count 1 of this Complaint are incorporated by reference as though fully set forth herein.

22. On or about the dates set forth below, in the Western District of Washington, and elsewhere, the defendants FINN W. CONTINI, ROBERT A. HOWDESHELL, ALYSON M. CLARK, and CHRISTINE J. HENDRICKSON, together with other persons known and unknown, having devised, and aided and abetted in devising the above-described scheme and artifice to defraud, did, for the purpose of executing such scheme and artifice, knowingly and willfully cause to be sent and delivered by private and commercial interstate carrier according to the directions thereon, the items listed below, constituting a representative sample of the use of the mails and private and commercial interstate carriers in furtherance of the scheme and artifice to defraud, and is a separate count of this Complaint:

Count	Date	Ordered By	Sent To	Description of Item
2	May 25, 2001	CONTINI	Sirius Enterprises 14636 NE 45th Street Suite C6 Bellevue, WA 98007	25 Windows Advanced Server 2000 with 25 Client Licenses.
3	Sept. 20, 2001	HOWDESHELL	ACS 10020 Main St. A263 Bellevue, WA 98004	25 Exchange Server Enterprise 2000 with 25 Client Licenses.

4	May 23, 2002	CLARK	Alyson Clark Microsoft Corporation 4200 150th Ave NE Redmond, WA 98052	25 SQL Server 2000 Standard Edition with 5 Client Licenses
5	Jan. 30, 2002	HENDRICKSON	N. Candy Guardian Enterprises 15127 NE 24th Street #297 Redmond, WA 98052	36 Windows Server 2000 with 10 Client Licenses

It is further alleged that each of these offenses were committed in furtherance of the conspiracy charged in Count 1.

All in violation of Title 18, United States Code, Sections 1341, 1346 and 2.

COUNTS 6-9

(Money Laundering)

On or about the dates listed below, within the Western District of Washington, and elsewhere, FINN W. CONTINI, did knowingly engage or attempt to engage in the following monetary transactions, by, through, and to financial institutions, which monetary transactions affected interstate commerce, each transaction being a separate count, and each transaction being a representative sample of the transactions in criminally derived property of a value greater than \$10,000, such property having been derived from specified unlawful activity, to wit: a scheme and artifice to defraud or to obtain money or property by means of false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Sections 1341 and 1346. The monetary transactions include:

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Count	Date	Transaction	Amount
6	April 24, 2001	Deposits check number 1015 from Bank of America Account Number 62796602 in the name of Contini, Inc. to Morgan Stanley Brokerage Account Number 130-024050 in the name of Finn Contini.	\$500,000
7	June 28, 2001	Wire transfer from Group Health Credit Union Account Number 122151 to an account in the name of Escrow Partners for the purchase of a condominium located at 11804 NE 80th Street, Unit #1, Kirkland, Washington.	\$215,115.57
8	Sept. 28, 2001	Wire transfer from Group Health Credit Union Account Number 122151 to an account in the name of the Chicago Title Company for the purchase of a condominium located at 7323 Old Redmond Rd., #D8, Redmond, Washington.	\$285,125.67
9	Jan. 23, 2003	Wire transfer from First Mutual Bank Account Number 011-160031-08 to an account in the name of Eastside Escrow for the purchase of a condominium located at 7323 Old Redmond Rd., #B3, Redmond, Washington.	\$308,064.25

All in violation of Title 18, United States Code, Section 1957.

COUNTS 10-14**(Money Laundering)**

On or about the dates listed below, within the Western District of Washington, and elsewhere, ROBERT A. HOWDESHELL, did knowingly engage or attempt to engage in the following monetary transactions, by, through, and to financial institutions, which monetary transactions affected interstate commerce, each transaction being a separate count, and each transaction being a representative sample of the transactions in criminally derived property of a value greater than \$10,000, such property having been derived from specified unlawful activity, to wit: a scheme and artifice to defraud or to obtain money or property by means of false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Sections 1341 and 1346. The monetary transactions include:

Count	Date	Transaction	Amount
10	Nov. 27, 2001	Check number 491301189 drawn from Washington Mutual Bank Account Number 512-343623-1 made payable to Foss Audio for the purchase of car audio equipment.	\$18,500.00
11	Jan. 14, 2002	Washington Mutual Cashiers check drawn from Washington Mutual Bank Account Number 512-343623-1 for the purchase of a 2000 Ford Excursion.	\$35,000.00
12	Jan. 25, 2002	Washington Mutual Check Number 519362441 drawn from Washington Mutual Bank Account Number 512-343623-1 for the purchase of a 2002 Sea Ray boat.	\$56,903.87

13	Feb. 13, 2002	Washington Mutual Check Number 595201021 drawn from Washington Mutual Bank Account Number 512-343623-1 for the purchase of a 2002 GMC Yukon.	\$50,493.92
14	Oct. 9, 2002	Washington Mutual Check Numbers 014927872 and 014927873 drawn from Washington Mutual Bank Account Number 512-343623-1 for the purchase of an espresso stand business.	\$28,000

All in violation of Title 18, United States Code, Section 1957.

And the complainant further states:

INTRODUCTION

1. I am employed as a Special Agent with the Internal Revenue Service -Criminal Investigation Division (IRS-CID). I have been employed as a special agent with IRS-CID for almost 20 years. I am currently assigned to the Seattle Field Office. Prior to my current assignment, I worked in the Phoenix Field Office for 18 years. My official duties and responsibilities include the investigation of alleged criminal violations of the Internal Revenue laws and related offenses, including money laundering violations.

2. The facts set forth in this affidavit are based on my own personal knowledge, and on information obtained from other individuals during my participation in this investigation, including other law enforcement officers and representatives of the victim, Microsoft Corporation; interviews with the subjects of the investigation; my review of documents and financial records related to this investigation; and knowledge gained through my training and experience. Because this affidavit is submitted for the limited purpose of establishing probable cause in support of this Complaint, it does not set forth every fact that

1 I or others have learned during the course of this investigation.

2 **I Summary of the Investigation**

3 3. Evidence collected during this investigation has established that FINN W.
4 CONTINI, ROBERT A. HOWDESHELL, ALYSON M. CLARK, and CHRISTINE J.
5 HENDRICKSON, all former employees of Microsoft, together with others known and
6 unknown, conspired to fraudulently obtain numerous Microsoft software products for resale
7 in secondary markets. CONTINI, HOWDESHELL, CLARK and HENDRICKSON then
8 engaged in financial transactions with the proceeds of their illegal activity by opening
9 numerous bank accounts with the proceeds, transferring the proceeds among those accounts,
10 and purchasing real and personal properties with the proceeds. Together, CONTINI,
11 HOWDESHELL, CLARK, and HENDRICKSON collectively obtained by fraud
12 approximately 8729 pieces of Microsoft software products with a total estimated retail value
13 of over \$32 million. The investigation has established that CONTINI, HOWDESHELL,
14 CLARK, and HENDRICKSON together earned more than \$3 million through the resale of
15 these Microsoft software products in the secondary market.

16 **II Trafficking in Pirated or Counterfeit Software**

17 4. The Business Software Alliance (BSA), an industry group, estimates that in
18 2002 the software industry lost nearly \$2 billion in revenue in the United States alone due
19 to software theft. There are five common types of software piracy: End User Piracy, Client-
20 Server Overuse, Internet Piracy, Hard-Disk Loading, and Software Counterfeiting.

21 5. End User Piracy involves acquiring copies of restricted or non-retail software
22 without a license for commercial use and converting them for commercial sale. Microsoft
23 produces, sells, and distributes certain software titles under special discount licenses to
24 academic institutions, computer manufacturers, and other high-volume customers. This
25 software is labeled "academic edition". Other Microsoft software are produced and
26 distributed for non-retail purposes. Illegal channeling, or mischanneling, occurs when such

1 software is redistributed to other resellers or users who do not qualify for these special
2 licenses.

3 6. Client-Server Overuse occurs when too many users are using a central copy of
4 a program at the same time. When local-area network operators install programs on a server
5 for several people to use, they must be sure their license entitles you them do so. If there are
6 more users than allowed by the license, that is "overuse".

7 7. Internet Piracy refers to the use of the Internet for illegally copying or
8 distributing unauthorized software. The offenders may use the Internet for all or some of
9 their operations including the advertising, offering, acquiring, or distribution of pirated
10 software. One form of Internet piracy involves the use of Internet auction sites to offer
11 counterfeit, out-of-channel, infringing copyright software. The BSA estimates that there are
12 840,000 Internet sites selling illegal software as the real thing. According to Microsoft's
13 website, a recent investigation indicates that more than 60% of software sold through Internet
14 auction sites is counterfeit and more than 90% is sold in violation of the publisher's license
15 agreement.

16 8. Hard Disk Loading occurs when a business that sells new computers loads
17 illegal copies of software onto the hard disks to make the purchase of the machines more
18 attractive.

19 9. Software Counterfeiting involves the illegal duplication and sale of copyrighted
20 material with the intent to directly imitate the copyrighted product. In the case of packaged
21 software, it is common to find counterfeit copies of the CDs or diskettes incorporating the
22 software programs, as well as related packaging, manuals, license agreements, labels,
23 registration cards and security features.

24 10. The above various forms of software piracy are facilitated by brokers and
25 resellers who obtain through illegal means large quantities of "academic edition" software,
26 "not for resale" software, and client-server software for minimal number of users. The
27

brokers and resellers then chemically remove the words "academic edition" and "not for resale" on client-server software media and alter/increase the number of users on the related end-user license agreements, which increases the value. After the software is chemically treated, the software, user manual, the fraudulently altered or counterfeit license agreement and fraudulent Certificates of Authenticity are attached together with shrink-wrap for sale.

11. Investigation by the Microsoft Corporate Security and law enforcement discovered that some of these above described brokers and resellers have as their sources for pirated software current and former employees of Microsoft. Investigation has established that, among other means, the employees exploited a Microsoft Internal Product Order Program to fraudulently obtain software and sell them to such brokers and resellers for a profit.

III Microsoft Internal Product Order Program

12. MS Market is a website available to Microsoft full-time employees, official vendors, interns and contingent staff personnel who have been issued network credentials to access Microsoft's internal (computer) network. MS Market contains the Microsoft Internal Product Order (IPO) Program, which allows Microsoft employees to order, among other things, Microsoft software needed to do their jobs. Products offered through the IPO Program are at no cost to the employee, but are restricted for Microsoft business use only.

13. Employees of Microsoft are made aware of policy regarding the appropriate use of the IPO Program by way of written guidelines. The MS Market and Internal Product Ordering (IPO) Program Guidelines specifically state, in relevant part:

What is not available through the IPO Program? The IPO Program has set criteria, which Products must meet in order to be offered internally. Products offered through the IPO Program are for *business-use only*.

Microsoft's "General Company Guidelines" also state in relevant part:

Any violation of the following guidelines or other misconduct may result in disciplinary action, up to and including immediate

1 termination of employment.

2 * * *

3 Abuse of any Microsoft privilege, such as...internal orders...This
4 includes any activity, legal or illegal, using your Microsoft
position or Microsoft property, equipment or services for
personal use or gain.

5 * * *

6 Removal or use of company property (except for company
business), or property of other persons, without written
permission.

7 14. Even though the software titles ordered through the IPO program are at no cost
8 to Microsoft employees, they have high retail values in the secondary market. The retail
9 value of the software is based on the "estimated retail price" which is established by
10 Microsoft, which owns the intellectual property and distribution rights to the software.
11 Microsoft sets the retail value price for the software and publishes those prices on its various
12 web sites and in other publications.

13 15. When submitting an internal product order, the employee must notify his or her
14 supervisor or manager of the order via the ordering program. Investigations by Microsoft
15 Corporate Security into the abuse of the IPO Program established that prior to May 13, 2002,
16 a small number of employees took advantage of a design flaw in the IPO Program.
17 Specifically, this flaw created opportunities for fraud by allowing the ordering employee to
18 remove the email address of his or her real manager and substitute the email address of an
19 associate during the order process. Because of this manipulation, the manager of the
20 employee submitting the internal product order never received email notification of the order
21 activity.

22 THE INVESTIGATION OF FINN W. CONTINI

23 I CONTINI's Employment at Microsoft.

24 16. CONTINI began his full-time employment at Microsoft on or about
25 September 20, 1999, as a Group Assistant. As part of his employment with Microsoft,
26 CONTINI was provided with access to MS Market and the IPO Program. CONTINI's

1 duties as a Group Assistant included ordering supplies, hardware and software through the
2 IPO Program for his group.

3 17. Microsoft personnel records show that effective on February 16, 2001,
4 CONTINI went on short-term disability leave from Microsoft. CONTINI remained on
5 short-term disability leave from Microsoft until August 3, 2001, when he was approved for
6 long-term disability benefits. CONTINI never returned to Microsoft and was voluntarily
7 terminated effective February 3, 2002.

8 **II CONTINI's Software Ordering Activity.**

9 18. The investigation has revealed that during the period of CONTINI's
10 employment with Microsoft, from September 1999, through January 2002, CONTINI
11 ordered approximately 5400 pieces of Microsoft software products through the MS Market
12 and IPO Program. The orders were directed to be shipped to the following individuals or
13 entities:

14 Shipped To	Quantity	Estimated Retail Price
15 Ali Raisdanai	2551	\$8,357,752.00
16 Sirius Enterprises/Nick 17 Candy	561	\$1,872,277.00
18 Integrated Data	270	\$760,380.00
19 Finn Contini	1562	\$6,381,648.00
20 Miscellaneous	456	\$247,334.00
21 TOTAL	5400	\$17,619,391.00

22 19. Two-thirds of the above summarized orders were placed by CONTINI
23 between February 16, 2001, and February 3, 2002, when he was absent from Microsoft on
24 short-term and then long-term disability leave. It is believed that CONTINI accessed the
25 IPO program through a Microsoft corporate laptop or through Microsoft software installed
26 on his home computer.

20. In addition, 3267 out of the total 5400 software pieces ordered were recorded by the IPO Program as having been approved by ROBERT A. HOWDESHELL. CHRISTINE J. HENDRICKSON is recorded as having approved orders for approximately 90 software pieces. Neither HOWDESHELL nor HENDRICKSON were authorized by Microsoft to approve CONTINI's ordering activity. CONTINI had no reporting relationship with HOWDESHELL or HENDRICKSON.

21. An analysis of the orders revealed that 2551 pieces of Microsoft software ordered by CONTINI were shipped directly to various addresses and entities associated with an individual identified as Ali Raisdanai. Ali Raisdanai is a former Microsoft employee. CONTINI caused ClientLogic to send software to the following company names and addresses, using several variations on the spelling of Raisdanai's name:

ADC #160	A. RAISDANAI	30251 Golden Lantern, Suite E Laguana Niguel, CA 92677
TERATEC	RAIS ALI or AL RA ISDO	27758 Santa Margarita Pkwy #162 Mission Viejo, CA 92691
VIDCOM #199	A. RASOLANI or A. RASOLINI	26741 Portola Pkwy, Suite 1E Foothill Ranch, CA 92610- 1743
AR INC.	ALI RAISDANAI or A. RAISDANAI	23010 Lake Forest Drive, Suite D Laguana Hills CA 92653
A.R. INC.	ALI RAISDANAI	61 Grenada Street Laguana Niguel, CA 92677
LBC	ALI or ALI RAISDANAI	26632 Towne Center Drive #230 Foothills Ranch, CA 92610
EVEREADY BATTERY CO AKA ENERGIZER	ALI RAISDANAI	26440 La Almeda #110 Mission Viejo, CA 92691

22. Four of the seven addresses listed above have been identified as mailbox rental centers.

1 23. CONTINI submitted the orders shipped to Raisdanai beginning in or about
2 April 2000, and continuing until in or about December 2001. The types of Microsoft
3 software ordered by CONTINI and sent to Raisdanai included Visio Enterprise 2000 with
4 an estimated retail value of \$999.00 and the SQL Server 2000 Enterprise Edition with an
5 estimated retail value of \$14,999.00. According to Microsoft, CONTINI had no reason in
6 connection with his employment duties to order such types and quantities of software and
7 have it shipped directly to such an individual.

8 24. CONTINI also submitted orders for approximately 561 items of software
9 through the IPO Program and caused them to be shipped directly to an entity called Sirius
10 Enterprises, located at 14636 NE 45th Street C-6 in Bellevue, Washington 98007. The
11 orders for Sirius Enterprises were submitted between May 2001, through July 2001. The
12 types of software products ordered included Windows Server 2000 with 10 client licenses
13 with an estimated retail value of \$1,199.99, and the SharePoint Portal Server 2001 with 25
14 client licenses with an estimated retail value of \$6,699.00.

15 25. The Washington State Department of Revenue's State Business Records
16 Database provides public information about businesses registered in Washington State.
17 According to this database, Sirius Enterprises is a sole proprietorship opened on January 1,
18 1997, by CHARLES C. CONTINI and engaged in the business of management consulting
19 services.

20 26. A King County District Court "Order Changing Name" dated December 2,
21 1997, filed with the King County Recorder's Office, shows that CONTINI changed his name
22 from CHARLES CHRISTOPHER CONTINI to FINN WOLFE CONTINI.

23 27. The internal product orders for the software he had shipped to Sirius
24 Enterprises were addressed to 14636 NE 45th Street C-6, Bellevue, Washington 98007.
25 According to King County records, CONTINI owned the condominium at 14636 NE 45th
26 Street C-6, Bellevue, Washington 98007, from September 1995, until March 2002.

1 CONTINI listed 14636 NE 45th Street C-6, Bellevue, Washington 98007, as his address on
2 the employment application he filed with Microsoft in September 1999.

3 28. The recipient of the software CONTINI had shipped to Sirius Enterprises was
4 "NICK CANDY" or "N. CANDY", which is similar to CONTINI's mother's name, Nancy
5 Condry.

6 29. The IPO Program orders submitted by CONTINI that were shipped to himself
7 were sent to Microsoft's address at 4200 150th Ave., N.E. Redmond, Washington.
8 CONTINI submitted these orders between September 1999, through December 2000. The
9 types of software ordered included Microsoft Expedia Streets and Trips 2000 with an
10 estimated retail value of \$44.95 and the SQL Enterprise Server 7.0 with unlimited client
11 licenses with an estimated retail value of \$28,999.00. The majority of the software
12 CONTINI ordered was multi-client server software.

13 **III CONTINI's Illegal Proceeds.**

14 30. The investigation has revealed that shortly after CONTINI began to submit
15 orders for large quantities of software through the IPO Program and continuing after he
16 resigned from Microsoft, CONTINI deposited in excess of \$2 million in checks from two
17 individuals and their associated entities: Nathaniel P. Angelus/Software Provisions, LLC and
18 Stephen D. Morse/S.M. Distribution. The investigation has revealed that these two
19 individuals and their entities are engaged in the purchase and resale of fraudulently obtained
20 software.

21 **A. Nathaniel P. Angelus and Software Provisions, LLC.**

22 31. Between May 2000, and September 2003, CONTINI deposited
23 \$1,016,205.84 in checks drawn from accounts in the names of either Nathaniel P. Angelus
24 and Software Provisions, LLC, to the following accounts in the name or control of
25 CONTINI:

1	Group Health Credit Union Account #110326 in the name of Finn W. Contini	\$36,966.32
2		
3	Group Health Credit Union Account #49488 in the name of Nancy J. Condy and Finn W. Contini	\$12,925.00
4	Group Health Credit Union Account #122151 in the names of Finn W. Contini and Nancy J. Condy	\$244,170.30
5		
6	Bank of America Account #531137472 in the name of Nancy J. Condy POD Finn W. Contini	\$63,450.96
7	Bank of America Account #62796602 in the name of Contini, Inc./Finn W. Contini, President	\$658,693.26
8		
9	Total	\$1,016,205.84

10 32. Oregon Secretary of State Corporation Division records show that Software
11 Provisions, LLC, is a domestic limited liability company created on December 13, 2000,
12 and that Nathaniel Angelus of 3132 SW Upper Drive, Portland, Oregon, is a member of
13 Software Provisions, LLC. Software Provisions, LLC had a website
14 www.softwareprovisions.com that offers software for sale.

15 33. On or about May 20, 2002, Microsoft Corporate Security interviewed another
16 former employee, Travis Barth, regarding the theft of Microsoft software from the offices
17 Microsoft employees. Barth admitted to internal investigators that he stole Microsoft
18 software from employees' offices and sold it to a friend in Portland, Oregon, named
19 Nathaniel Angelus.

20 34. Barth said he met Angelus online in 2001, when he had gift software that he
21 wanted to sell on eBay. Barth stated that he had not met Angelus in person; instead, they
22 communicated by email and telephone. Barth explained that he mailed the software to
23 Angelus's home address by United Parcel Service using his debit card from the Pony Express
24 in Redmond, Washington. Barth stated that he had transactions with Angelus in the past,
25 sometimes selling him software that he purchased from the Microsoft Company Store. Barth
26 said most of the time he contacted Angelus and offered him software for sale, and sometimes

1 Angelus would contact him and ask for specific software.

2 35. Following Barth's confession, Microsoft Senior Anti-Piracy Investigator
3 Kristen Dietz directed Microsoft's Internet Auction Monitoring Team to be on the lookout
4 for the uniquely marked boxes of software stolen from the offices of Microsoft employees.

5 36. On June 11, 2002, Dietz received images of one of the uniquely marked boxes
6 of software stolen from a Microsoft employee's office that had been purchased by the
7 Internet Auction Monitoring Team from Software Provisions, the Portland, Oregon, company
8 associated with Nathaniel Angelus. Specifically, one box of Microsoft BizTalk 2000
9 Enterprise, 1 Processor License, SKU# F52-00003 was purchased from Software Provisions,
10 LLC for \$3,295.00, on June 7, 2002.

11 B. Stephen D. Morse and S.M. Distribution.

12 37. Between June 2001, and June 2002, CONTINI deposited \$1,348,926.49 in
13 checks and wire transfers from a company known as S.M. Distribution to the following
14 accounts:

15 Group Health Credit Union Account #110326 in the name of	\$10,000.00
16 Finn W. Contini	
17 Group Health Credit Union Account #122151 in the names of	\$203,591.50
18 Finn W. Contini and Nancy J. Condy	
19 Bank of America Account #62796602 in the name of Contini,	\$649,079.99
20 Inc./Finn W. Contini, President	
21 Bank of America Account # 531137472 in the name of Nancy J.	\$485,625.00
22 Condy POD Finn W. Contini	
23 Total	\$1,348,296.49

24 38. The Maryland Department of Assessments and Taxation (SDAT) Business
25 Entity Information shows that S.M. Distribution was incorporated on October 31, 2000, in
26 Maryland. The resident agent is Stephen Morse and the principal office address and the
27 resident agent's address is 1623 Coopers Way, Frederick, Maryland 21701. The current

1 mailing address of S.M. Distribution is 43262 Mission Hills Way, Leesburg, Virginia 21076.

2 39. The Maryland SDAT Real Property Data Search shows that Stephen Morse
3 owned the townhouse located at 1623 Coopers Way, Frederick, Maryland 21701, from 1996
4 through March 30, 2001.

5 40. The Loudon County, Virginia Real Estate Tax, Assessments, and Parcel
6 Database shows that Stephen Morse purchased the residence located at 43263 Mission Hills
7 Way, Leesburg, Virginia 20176, on April 6, 2001.

8 41. In a written statement provided to Microsoft, another former Microsoft
9 employee, Stephen Hnetinka, admitted to selling internally ordered software to a "David
10 Morse" of S.M. Distribution in Virginia.

11 42. According to Hnetinka, Morse initially contacted Hnetinka in June or July of
12 2001, after he found Hnetinka selling software on eBay. Morse told Hnetinka to contact him
13 directly when he had software to sell rather than use eBay. Hnetinka stated that Morse
14 convinced him to place internal product orders for software and sell it to him. Hnetinka's
15 internal product orders for software were initially small, but became larger when he realized
16 he could easily order more software. Morse asked Hnetinka for specific software available
17 through MS Market.

18 43. Hnetinka sent about 20 shipments of internally ordered software products to
19 Morse in Virginia. Two Federal Express airbills dated April 18, 2002, and September 23,
20 2002, show that Hnetinka sent four packages to a David Morse at 20925 Professional Plaza,
21 Ashburn, Virginia, 20147. According to Hnetinka, Morse paid Hnetinka between \$1,000 and
22 \$10,000 for each shipment of software. Hnetinka estimated that he received \$50,000 to
23 \$60,000 from Morse in the course of one year. On a number of occasions, Morse told
24 Hnetinka that he had people ordering internal (Microsoft) software (through the IPO
25 Program) that would get him thousands of pieces.

26 //

IV CONTINI'S Financial Transactions with Proceeds of Illegal Activity.

44. Prior to October 2000, the only known bank accounts for CONTINI were a Group Health Credit Union account number 110326 in the name of FINN CONTINI and a second Group Health Credit Union account number 49488 in the names of FINN CONTINI and his mother, Nancy Condry. From January 1999, through April 2000, no significant deposit activity can be discerned in these accounts, other than regular deposits from CONTINI's employment at Microsoft.

45. CONTINI earned a total of \$10,445.34 in wages at Microsoft in 1999, \$29,567.50 in 2000, \$14,085.41 in 2001 and \$1,052.17 in 2002, according to his Forms W-2, Wage and Tax Statements obtained from Microsoft. CONTINI was voluntarily terminated from Microsoft on or about February 3, 2002, after having been placed on disability leave for nearly a year.

46. In connection with his employment at Microsoft, CONTINI was granted options to purchase limited number of Microsoft stock, first on July 31, 2000, and again on February 12, 2001. None of these options were exercised and both grants were cancelled.

47. The State of Washington Employment Security Department records show that CONTINI has not been employed since the first quarter of 2002.

48. As noted above, beginning May of 2000, and continuing through September 2003, CONTINI received and deposited over \$2 million in checks and wire transfers from Nathaniel Angelus/Software Provisions, LLC and Stephen Morse/S.M. Distributions. Beginning in October 2000 and continuing through September 2003, CONTINI opened at least 14 different checking, savings, time deposit, and brokerage accounts with Group Health Credit Union, Bank of America, First Mutual Bank, Morgan Stanley, Ameritrade, and Scottrade. These accounts were used by CONTINI to engage in numerous monetary transactions involving the proceeds derived from the sale of the fraudulently obtained Microsoft software, including the following:

1 49. On or about April 24, 2001, CONTINI withdrew \$500,000 from Bank of
2 America account number 62796602 in the name of Contini, Inc. to open a Morgan Stanley
3 brokerage account number 130-024050 in the name of Finn Contini.

4 50. On or about June 28, 2001, CONTINI withdrew by wire transfer \$215,115.57
5 from the Group Health Credit Union account number 122151 in the name of Finn Contini
6 for the purchase of a condominium located at 11804 NE 80th Street, Unit #1, Kirkland,
7 Washington.

8 51. On or about September 28, 2001, CONTINI withdrew by wire transfer
9 \$285,125.67 from the Group Health Credit Union account number 122151 in the name of
10 Finn Contini for the purchase of a condominium located at 7323 Old Redmond Rd., #D8,
11 in Redmond, Washington.

12 52. On or about January 23, 2003, CONTINI withdrew by wire transfer
13 \$308,064.25 from the First Mutual Bank Account Number 011-160031-08 in the name of
14 Finn Contini for the purchase of a condominium located at 7323 Old Redmond Rd., #B3,
15 in Redmond, Washington.

16 **INVESTIGATION OF ROBERT A. HOWDESHELL**

17 **I HOWDESHELL's Employment with Microsoft.**

18 53. HOWDESHELL began his full-time employment with Microsoft on or about
19 May 15, 2000, as a Project Coordinator in US-BED Driver Quality. HOWDESHELL was
20 provided access to MS Market and the IPO Program as an employee of Microsoft.
21 However, HOWDESHELL had no legitimate business reason in connection with his
22 employment duties to submit internal product orders for software through the IPO Program.

23 54. On or about September 9, 2001, HOWDESHELL informed his supervisor that
24 he would not be reporting to work for several weeks because of an ailing family member.
25 HOWDESHELL subsequently never returned to work at Microsoft. On September 30,
26 2001, HOWDESHELL requested extended leave, but was denied. HOWDESHELL was

officially terminated from Microsoft effective October 5, 2001.

II HOWDESHELL's Ordering Activity.

55. Beginning in or about July 2001, and continuing through in or about October 2001, including the period of time when HOWDESHELL was on leave from Microsoft, HOWDESHELL submitted through the IPO Program orders for 985 pieces of Microsoft software products as follows:

Shipped To	Quantity	Estimated Retail Price
Rob Howdeshell	37	\$185,583.00
Advanced Computer Specialties or ACS	948	\$3,988,052.00
Total	985	\$4,173,635.00

56. The types of software ordered by HOWDESHELL included Windows XP Professional at an estimated retail value of \$299.00, and Exchange 2000 Enterprise with 25 Client Licenses with an estimated retail value of \$6,999.00.

57. According to the IPO Program records, HOWDESHELL listed FINN CONTINI as his approving manager on orders for 969 out of the 985 software pieces he ordered. CONTINI had no approval authority for HOWDESHELL's orders. HOWDESHELL had no reporting relationship to CONTINI.

58. The majority of the orders were initiated by HOWDESHELL beginning on September 12, 2001, through October 7, 2001, the same period of time HOWDESHELL was on leave from Microsoft. During this period of time, HOWDESHELL ordered 948 pieces of Microsoft software and caused them to be delivered to an entity named Advanced Computer Specialties or ACS, at 10020 Main Street, A263, Bellevue, Washington, 98004.

59. The investigation has established that the listed address is a mail drop at "The Mailbox," a mail box rental center located at 10020 Main Street A in Bellevue, Washington. An "Agreement" with the Mailbox and Postal Service Form 1583, Application for Delivery

1 of Mail Through Agent, both dated September 11, 2001, demonstrate that the mail drop was
2 rented by ROBERT A. HOWDESHELL. HOWDESHELL signed both the Agreement and
3 Application and provided his Washington Driver's License and a Washington Mutual Visa
4 Card in his name as identification. The Agreement and Application show that the purpose
5 of the mail drop was for business use under the name Advanced Computer Specialties. The
6 business address was the same as HOWDESHELL's home address at that time, 14035 90th
7 Place NE, Bothell, Washington, 98011.

8 60. No record of a business with the name of Advanced Computer Specialties or
9 a business owned by HOWDESHELL was found in the Washington State Department of
10 Revenue's State Business Records Database.

11 **III HOWDESHELL's Proceeds of Illegal Activity.**

12 61. HOWDESHELL earned \$34,435.92 in wages at Microsoft in the year 2000,
13 and \$45,927.23 in the year 2001, according to his Forms W-2, Wage and Tax Statements
14 obtained from Microsoft. Microsoft payroll records show that during 2001, Microsoft
15 deposited HOWDESHELL's semi-monthly pay directly to his checking account number
16 512-343623-1 at Washington Mutual. Microsoft deposited HOWDESHELL's final net pay
17 of \$1,280.48 to this account on October 15, 2001.

18 62. According to the "Non-Qualified Stock Option Agreement for Purchase of
19 Stock Under the 2001 Stock Plan of Microsoft Corporation", Grant Number 0265422,
20 Microsoft granted HOWDESHELL 240 stock options on February 12, 2001, at the grant
21 price of \$29.3750. This agreement gave HOWDESHELL the option to purchase 120 shares
22 of Microsoft common stock for a price of \$58.75 per share. HOWDESHELL's right to
23 purchase one-eighth of the shares covered under the option agreement vested on February
24 12, 2002, and the right to purchase additional one-eighth increments of the shares would
25 vest at six-month intervals, thereafter, such that his option would become fully vested fifty-
26 four months after the grant date. All of HOWDESHELL's 240 options, however, were

1 cancelled and none was exercised.

2 63. According to HOWDESHELL's estranged wife, Elizabeth Howdeshell,
3 HOWDESHELL has been unemployed since his resignation from Microsoft. State of
4 Washington Employment Security Department records confirm that the only wages paid
5 to HOWDESHELL for the time period October 1, 2001, through December 31, 2003, were
6 \$1,728.55 (gross wages) paid by Microsoft for the fourth quarter of 2001.

7 64. The investigation has revealed, however, that from October 21, 2001, after
8 HOWDESHELL received his final pay from Microsoft, through April 2003, when he closed
9 the account, HOWDESHELL deposited over \$740,000 into a Washington Mutual joint
10 checking account number 512-343623-1 in his and his wife's name. HOWDESHELL,
11 however, has not filed any federal income tax returns for those years.

12 **IV HOWDESHELL's Financial Transactions.**

13 65. With the extensive use of cashier's checks, HOWDESHELL purchased
14 numerous big-ticket items with the proceeds from the sale of the fraudulently obtained
15 software that were deposited into his Washington Mutual Bank Account number 512-
16 343623-1.

17 66. On or about November 27, 2001, HOWDESHELL withdrew \$18,500 from
18 the Washington Mutual Bank account 512-343623-1 for the purchase of car audio
19 equipment from Foss Audio.

20 67. On or about January 14, 2002, HOWDESHELL withdrew \$35,000 from the
21 Washington Mutual Bank account 512-343623-1 for the purchase of a 2000 Ford
22 Excursion.

23 68. On or about January 25, 2002, HOWDESHELL withdrew \$56,903.87 from
24 the Washington Mutual Bank account 512-343623-1 for the purchase of a 2002 Sea Ray
25 boat.

26 69. On or about February 13, 2002, HOWDESHELL withdrew \$50,493.92 from
27

1 the Washington Mutual Bank account 512-343623-1 for the purchase of a 2002 GMC
2 Yukon.

3 70. On or about October 9, 2002, HOWDESHELL withdrew \$28,000 in two
4 checks from the Washington Mutual Bank account 512-343623-1 for the purchase of an
5 espresso stand business.

6 **INVESTIGATION OF ALYSON M. CLARK**

7 **I CLARK's Employment with Microsoft.**

8 71. CLARK was began full-time employment with Microsoft on or about June
9 29, 1992, as a Group Assistant. Clark was employed by Microsoft continually in the
10 capacity of a Group Assistant until her termination on or about October 7, 2004.

11 72. CLARK was provided access to MS Market and the IPO Program as an
12 employee of Microsoft. CLARK's duties as a Group Assistant included ordering supplies,
13 hardware, and software through the IPO Program for use by the group to which she was
14 assigned.

15 **II CLARK's Ordering Activity.**

16 73. Beginning in or about April 2002, and continuing through in or about
17 November 2002, CLARK submitted numerous orders for Microsoft software products.
18 CLARK submitted orders for approximately 618 pieces of Microsoft software products.
19 Her orders included Windows 2000 Server with 25 Client Licenses with an estimated retail
20 value of \$1,199, and the SQL Server 2000 Enterprise Edition with 25 Client Licenses with
21 an estimated retail value of \$11,099.00.

22 74. According to Microsoft, the type and quantities of software ordered by
23 CLARK had no relation to any legitimate Microsoft business in connection with her
24 employment duties. All of the orders submitted by CLARK were shipped to her at the
25 Microsoft Corporation, 4200 150th Ave. NE, Redmond, WA 98052.

26 **III CLARK's Proceeds of Illegal Activity.**

1 75. The Investigation has revealed that FINN CONTINI wrote bi-monthly or
2 monthly checks made payable to CLARK during the same period of time CLARK
3 submitted her orders for Microsoft software. Between May 2002, through January 2003,
4 CONTINI paid CLARK approximately \$196,680.00.

5 76. Microsoft analysis of CLARK's emails contained on the corporate computer
6 revealed the following email communications between CLARK and CONTINI:

7 77. On February 10, 2003, CLARK wrote to CONTINI:

8 ...It's almost like my sister. Last time she was getting
9 on me about the whole money and where it came from
10 thing (and telling me it's changed her whole opinion of
11 me and she doesn't know how she'll ever get back to
12 thinking well of me again),...I reminded her that she had
no qualms about taking \$3k from me to get her sewer
pipe fixed, and she responded by saying no, she didn't
have any problems with that, because she saw it as a
"little bit of good coming out of a bad situation"...

13 78. On May 20, 2003, CLARK wrote to CONTINI:

14 Every time you tell me to stay debt free I feel horribly
15 ashamed of myself for still having debt after everything
16 you've done for me. I's getting a handle on my
"addiction," as it were - spending is way down, and
17 when I do buy things for myself, I'm more able to pay
cash now, thanks to you. But, that doesn't erase that I
racked up before i managed to get a better handle on it.
18 I'm working on it, and trying to do better and fight the
depression that causes me to do it in the first place. I
19 guess that's all I can do, since there's no more big cash
payouts coming.

20 79. On May 21, 2003, CONTINI responded to CLARK:

21 Yeah, the cash payouts are a thing of the past. A
22 slumping economy would have put a damper on it
23 anyway because nothing is moving these days (product
still in the pipeline is just sitting on shelves). But you
24 took what you got and put it to good use, an advantage
few people will receive in their lifetime...

25 //

26 //

INVESTIGATION OF CHRISTINE J. HENDRICKSON

I HENDRICKSON's Employment with Microsoft.

80. HENDRICKSON began her full-time employment with Microsoft on or about March 13, 2000. She was employed as a Group Assistant until her termination on June 12, 2002. HENDRICKSON was given access to MS Market and the IPO Program as an employee of Microsoft. HENDRICKSON's duties as Group Assistant including ordering supplies, hardware and software through the IPO Program for her group.

II HENDRICKSON's Ordering Activity.

81. Beginning in or about June 2001, and continuing through on or about June 12, 2002, HENDRICKSON placed through the IPO Program orders for 1726 pieces of Microsoft software, shipped to the following individuals:

Shipped To	Quantity	estimated Retail Price
Nathaniel Angelus	552	\$4,742,208
Ali Raisdanai	488	\$1,894,042
N. Candy	300	\$1,231,620
Christine Hendrickson	192	\$378,118
Miscellaneous	194	\$1,483,736
Total	1726	\$9,729,724

82. According to the IPO Program order records, CONTINI was listed as the approving manager for 250 items ordered by HENDRICKSON. CONTINI had no authority to approve HENDRICKSON's orders. HENDRICKSON had no reporting relationship to CONTINI.

83. HENDRICKSON caused to be shipped the largest quantity of software to Nathaniel Angelus, the same individual to whom CONTINI sent software and received large proceeds. HENDRICKSON placed the orders for Angelus beginning in or about January 2002, through in or about May 2002. The orders included 150 units of SQL

1 Server 2000 Enterprise Edition International. The estimated retail price of each SQL
 2 Server software is \$19,999.00. The software destined for Nathaniel Angelus were
 3 caused by HENDRICKSON to be shipped to the following addresses:

4 Nathaniel Angelus	6663 SW Beaverton-Hillsdale Hwy, Suite 5 #PMB 271 Portland, OR 97225
6 Business Data Solutions	6701 SW Murray Blvd., PMB 286 7 Beaverton, OR 97008-4467
8 Computer Partners	9610 SE 82nd Ave., Suite C PMB #31 9 Portland, Oregon 97266

10 84. All three addresses listed above are for mailbox rental centers.

11 85. Oregon Secretary of State Corporation Division records show that Articles
 12 of Incorporation were filed for Business Data Solutions Co. and Computer Partners, Ltd.
 13 on May 17, 2002. Both corporations filed Articles of Dissolution one month later on June
 14 17, 2002. The mailing address of both Business Data Solutions and Computer Partners
 15 was listed as 3132 SW Upper Drive, Portland, Oregon 97201, the same address associated
 16 with Nathaniel Angelus as set forth above.

17 86. An analysis of the hard drive of the laptop computer assigned by Microsoft
 18 to HENDRICKSON revealed an email communication from CONTINI to
 19 HENDRICKSON in or about February or March of 2002. In the email, CONTINI, using
 20 the email address finnwc00@yahoo.com writes: "Nathaniel rec'd 24 SQL NFR units
 21 today (only 20 were ordered – didn't I tell you the warehouse was fucked up?) and he said
 22 he should be able to make deposits by Thursday or Friday of this week. Your net is a
 23 little over 17K. This is all going better than I expected. Finn."

24 87. Analysis of HENDRICKSON's orders also demonstrated that she caused
 25 to be delivered large quantities of software to entities associated with Ali Raisdanai at
 26 the same mailbox addresses used by CONTINI to deliver software, including the

1 following:

2 ADC	ALI RAISDANAI	30251 Golden Lantern #160 Laguana Niguel, CA 92677
3 TERATEC	AL RA ISDO	27758 Santa Margarita Pkwy #162 Mission Viejo, CA 92691
4 VIDCOM #199	A. RASOLANI	26741 Portola Pkwy, Suite 1E Foothills Ranch, CA 92610- 1743

8 88. On June 7, 2002, HENDRICKSON provided a brief handwritten statement
9 to Microsoft admitting that she submitted internal product orders that caused software to
10 be shipped directly to "A. Rasoldini / Ali". She described Raisdanai as someone who
11 contacted her and claimed he had his own company and needed software for testing.
12 Raisdanai allegedly told HENDRICKSON it was "no big deal" as it was something he did
13 himself when he worked at Microsoft. Raisdanai later provided company names and
14 addresses for other friends in the business so HENDRICKSON could also ship them
15 software.

16 89. A forensic analysis by a Microsoft investigator of the hard drive in the
17 laptop computer Microsoft assigned to HENDRICKSON recovered evidence of email
18 exchanges between CONTINI and HENDRICKSON regarding Ali Raisdanai. In or
19 about February or March of 2002, an individual believed to be CONTINI, using the email
20 address finnwc00@yahoo.com, wrote:

21 This worked out better than a Word doc. I'd limit each
22 notepad to two items because these tend to get a little long
23 and Yahoo only supports so many lines. (It's always the little
24 things, isn't it?) Ali sent your checks today - I'll call you a
25 little later about picking them up. They total 18K.
26 Everything we ordered for him has come in and been sold so
27 this is your final payout from that first round of orders. I'll
28 give you another round at the end of this month to placate
him. Finn.

90. HENDRICKSON ordered software through the IPO Program in February 2002 and May 2002 and had it shipped to "N. Candy" or "N.C." using the following company names and addresses:

GUARDIAN ENTERPRISES	N. CANDY	15127 NE 24th Street # 297 Redmond, WA 98052
SFX SOLUTIONS	N.C.	11410 NE 124th Street, PMB #464 Kirkland, WA 98034

91. Both of these addresses are mailbox rental centers.

92. According to records of Pony Express Mail & Business Centers, 15126 NE 24th Street, Redmond, Washington 98052, mailbox #297 was rented by Nancy Condry, CONTINI's mother, until mid June 2002. The UPS store, 11410 NE 125th Street, Kirkland, Washington 98034 no longer had records relating to the rental of PMB #464 prior to December 2002.

93. No records of any businesses with the names Guardian Enterprises or SFX Solutions, or a business owned by "N.Candy," was found in the Washington State Department of Revenue's State Business Records Database.

94. No record of any businesses with the names of Guardian Enterprises or SFX Solutions was found on the Washington Secretary of State's website.

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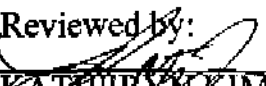
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1 95. The types of Microsoft software HENDRICKSON had shipped to "N.
2 Candy" and "N.C." included Windows 2000 Client Access License with 20 Microsoft
3 License Packs, with an estimated retail value of \$739.00 and SQL Server 2000
4 Enterprise Edition International with an estimated retail value of \$19,999.00.

5
6
7
8 
9 SONYA E. JOHNSON, Complainant
10 Special Agent,
Internal Revenue Service

11 Complaint and affidavit sworn to before me and subscribed in my
12 presence, November 8, 2004.

13
14
15 
16 MONICA J. BENTON
United States Magistrate Judge

17 Reviewed by:
18 
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